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January 4, 2002

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the USTR
600 17th Street, NW
Washington, DC 20508

VIA ELECTRONIC MAIL

fr0001@ustr.gov

PUBLIC DOCUMENT

Re: Written Comments Filed on Behalf of Dana Corporation Concerning What Action the President Should Take Under Section 203(a) of the Trade Act Regarding Imports of Certain Steel (TA-201-73)

Dear Ms. Blue:

This submission is filed on behalf of Dana Glacier Daido America, LLC ("Dana") pursuant to the Federal Register notice entitled Trade Policy Staff Committee; Public Comments on the Potential action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel, 66 Fed. Reg. 54321 (October 26, 2001), and its amendments found at 66 Fed. Reg. 59599 (November 29, 2001), and 66 Fed. Reg. 67349 (December 28, 2001). In specific, Dana believes that the President should take no action under § 203(a) of the Trade Act as it applies to carbon steel coil or strip, measuring a minimum of and including 1.10mm to a maximum of and including 4.90mm in overall thickness, a minimum of and including 0.70mm to a maximum of and including 4.10mm in steel thickness, a minimum of and including 76.00mm to a maximum of and including 250.00mm in overall width, with a low carbon steel back comprised of: carbon under 0.10%, manganese under 0.40%, phosphorous under 0.04%, sulfur under 0.05%, and silicon under 0.05%; clad with aluminum alloy comprised of: under 2.51% copper, under 15.10% tin, and remainder aluminum as listed on the mill specification sheet.

On November 13, 2001, Dana filed a request with the USTR to exclude the carbon steel coil or strip indicated from these Section 201 proceedings (recorded as X-

104-ex3). In that submission, Dana indicated its belief that no producer in the United States produced this proprietary merchandise. Furthermore, it appears that no United States producer is likely to produce this material in the foreseeable future.

The major United States producers of steel¹ filed a response to a large number of requests for exclusion. In this document, these major representatives of the United States steel industry stated that, "clearly, if the domestic industry cannot produce a particular product, such product can properly be excluded from the scope since applying a remedy to such an item would not address the injury sustained nor facilitate the industry's adjustment."² Dana supports this contention entirely. Where the United States industry does not produce a material, there is no benefit to including the product within the scope of a § 201 case. This rationale applies equally well in the context of the remedy the President should impose on a product. Where the United States industry cannot produce the product, no remedy is appropriate for the same reasons.

In Appendix A of their response, the domestic steel producers indicated with regard to this product that, "provided this product is not produced by other U.S. manufacturers, Domestic Producers have no objection to excluding this product."³ As discussed above, Dana has not been able to find any United States producer of this material. Furthermore, it does not appear that any other filer objected to Dana's exclusion request for this product in the exclusion phase of this matter. Therefore, to the extent that carbon steel coil or strip, measuring a minimum of and including 1.10mm to a maximum of and including 4.90mm in overall thickness, a minimum of and including 0.70mm to a maximum of and including 4.10mm in steel thickness, a minimum of and including 76.00mm to a maximum of and including 250.00mm in overall width, with a low carbon steel back comprised of: carbon under 0.10%, manganese under 0.40%, phosphorous under 0.04%, sulfur under 0.05%, and silicon under 0.05%; clad with aluminum alloy comprised of: under 2.51% copper, under 15.10% tin, and remainder aluminum as listed on the mill specification sheet is not otherwise excluded from the scope of this matter, Dana requests that no remedy be imposed by the President.

Finally, the domestic industry has advocated creating a "short supply" system as an alternative to granting exclusions from the scope of the case, or requesting that the President impose no remedy on certain products. This suggestion does not replace the need for exclusions or not imposing remedies. First, the business uncertainty of applying a short-supply system to imports of ASTM A 463 DDS – Aluminized Steel with a 0.012-inch gauge would severely disrupt Dana's ability to plan its business activities. In effect, this would be inequitably imposing another burden on a company that is unable to purchase the material in question in the United States. In addition, because there is no viable domestic supplier to produce the material for Dana, requiring Dana to go through a short supply procedure to be able to import this material without the imposition of

¹ Domestic Industry Response to Product Exclusion Requests Filed on Behalf of Bethlehem Steel Corporation, LTV Steel Company, Inc., National Steel Corporation, and United States Steel LLC, (ER-068).

² Id. at 2.

³ Id. at Appendix A, Corrosion-Resistant Exclusion Requests pp. 8-9.

additional duties simply wastes resources. In short, for products the importation of which the United States industry does not object to, there is not a "short" supply as much as there is *no* supply. Therefore, Dana requests that if no exclusion from the scope of this § 201 case is granted for the merchandise in question, a "short supply" mechanism not be utilized in lieu of recommending that the President impose no remedy on imports of this merchandise.

Thank you for your attention to this matter. Please feel free to contact us if you have any questions regarding this matter.

Very truly yours,

BARNES, RICHARDSON & COLBURN

By:

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